



Office Of
Property
Disposal
Public
Buildings
Service



ON SITE

AIR FORCE PLANT 70 NEGOTIATIONS SET PRECEDENT FOR FUTURE GOCO DISPOSALS

In a precedent-setting case, GSA Property Disposal has successfully negotiated the sale of a government-owned contractor-operated (GOCO) Air Force facility involving a potentially responsible party.

The facility, Air Force Plant 70 (AFP70), is located in Folsom, California. In the late 1950s, the Air Force built AFP70, formerly the McClellan Storage Annex, to manufacture missiles and liquid-propellant rocket engines.

The property consists of two parcels totaling 51.79 acres with industrial, manufacturing and office buildings, as well as various support structures and remnant pieces of machinery and equipment.

The plant is now part of a designated Superfund site, which is a site included on the Environmental Protection Agency's (EPA) National Priorities List.

In 1986, the Department of Defense began disposing of nonessential property,

primarily because of budget cutbacks. Subsequently, the Air Force identified GOCOs built in the 1940s and 1950s that were deteriorated, unsafe and inadequately funded as candidates for disposal.

In 1993, the Air Force developed a high-priority divestiture plan that provided

for permanent cessation of manufacturing activity at AFP70. When AFP70 closed, the facility's contracted operator, Aerojet Corporation, became a potentially

responsible party (PRP) for contamination at the plant. That is, as the operator of the facility, the operator is potentially either responsible for or a contributor to the contamination at the plant. As such, Aerojet is required to clean up the contamination.

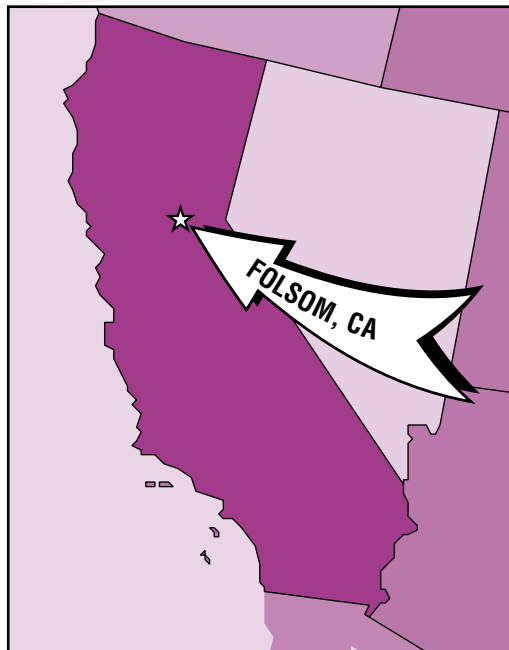
Aerojet could have acquired the plant under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), a major environmental law that affects the disposal of real property and allows the sale and transfer of contaminated federal property to a PRP. But CERCLA and the Superfund Amendments and Reauthorization Act of 1986 (SARA), as they affect negotiated sales of GOCOs, provide for an exclusion to the requirement that, before transfer of the property, the federal government must warrant that all remedial action has been performed with respect to any remaining hazardous substances. The provisions of CERCLA allowed the federal government to transfer AFP70 to Aerojet before remediation was completed, as long as a remediation plan was prepared.

The primary challenge in completing the complex conveyance was establishing the respective rights and responsibilities of the federal government and Aerojet for all environmental actions, claims and costs associated with environmental contamination at the property.

Under the requirements of CERCLA, as it affects conveyances to PRPs, it was necessary to develop agreements that addressed, among other issues, care and maintenance of the property, capitalization allowances, insurance and liability for remedial action, limits on the liability of the government, oversight of the cleanup process and associated costs, as well as plans for physical remediation.

Agreement on all the above issues was necessary before negotiation of the price of the property could begin.

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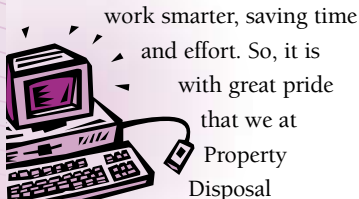




Office Of Property Disposal Public Buildings Service

ONLINE WITH THE ASSISTANT COMMISSIONER

In the midst of all the hype and hysteria over "Y2K," it was easy to forget that computers are not the enemy. In fact, computers – specifically the Internet – help us



work smarter, saving time and effort. So, it is with great pride that we at Property Disposal announce our new web-enabled Resource Center. You can visit this useful site at the following URL:

<http://RC.GSA.Gov/ResourceCenter>

Property Disposal's Resource Center is just that – a comprehensive resource for information and assistance with real property activities.

Click on the Library for real property laws and regulations; disposal, asset management and environmental guidebooks; sample letters; instructions; Federal and surplus screening notices and other useful information.

Click on Real Property Disposal Forms for answers to your questions about filling out reports of excess and to access the SF 118 reporting forms, as well as the Excess (Report on Title) and HUD homeless checklists. Download forms and checklists or work on-line. Regional and Central Office points of contact will be available to assist you in filling out the forms and checklists.

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PROPERTY DISPOSAL ASSIGNS ENTERPRISE COMMUNITY / BROWNFIELDS PROPERTY

Housing and Urban Development, Department of Health and Human Services, Environmental Protection Agency, City of Dallas Brownfields Program and Texas Natural Resources Conservation Commission (TNRCC), GSA

Real Property Disposal assigned the former U.S. Army Corps of Engineers Soils Testing Laboratory at 4815 Cass Street, in Dallas, Texas, for homeless use.

The property consists of 1.80 acres of fee land improved with 40,000 square feet of a 120,000 square-foot-building. It is located in the City of Dallas Enterprise Community (EC) and is also listed as a Brownfields property. TNRCC provided Brownfields Site Assessments for the recipient of the property -- Union Gospel Mission.

Union Gospel Mission plans to convert the Cass Street property into a multi-purpose

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HAMMER AWARD RECOGNIZES BOSTON NEIGHBORHOOD OF HYDE PARK, MASSACHUSETTS



The Hyde Park project was set into motion when the U. S. Coast Guard (USCG)

met with GSA to analyze its real estate portfolio to discover cost savings through consolidation of its housing. The City of Boston was determined to have the housing and the integrity of the neighborhood saved when the federal move took place, since the City's vacancy rate is less than 2% and Hyde Park, a City neighborhood. GSA led these early discussions about the Hyde Park housing into a partnership with the customer agency (USCG) and the Mayor's Office.

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The Boston Hyde Park Relocation team met December 20, 1999, for the Hammer Award Ceremony at Boston City Hall. Pictured (l-r): Front row - Sandra Robbins, GSA Property Disposal; John Kelly, GSA Property Disposal; Kathe Kneeland, GSA Property Disposal; Tony Homs, new homeowner at Hyde Park; Pat Canavan, Office of the Mayor; Bill Cotter, Office of the Mayor. Back row - Commander Karl Calvo, USCG; Director Frank Prout, GSA Office of Property Disposal; Bob Dunfey, Jr.; RA, GSA New England Region; Captain Geoffrey Abbott, USCG; Mayor Thomas Menino; Admiral Erroll Brown, USCG; Daniel Conley, City Councillor; Brian Clinton, Office of the Mayor/ Dr. Lynn Kahn, Office of the Vice President, NPR.

Hammer Award for Hyde Park

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Using its Relocation Program, GSA found alternative housing out of the City for the Coast Guard families at the newly vacant South Weymouth Naval Air Station, and then made the crucial decision to sell the former federal units individually rather than by bulk, targeting first time homeowners.

Reaching out to the local community through numerous information sessions, GSA ensured that potential purchasers, many of whom were inexperienced in buying property, had a full and fair opportunity to participate in the auctioning of the 70 units. The sales generated \$5,800,000 for the federal government, while making home ownership a reality for individuals and families. Both the real estate asset itself and the local community benefited by the Team's vision to keep the real estate active through relocation and encouraging private investment in Hyde Park.

The Team completed the relocation of Coast Guard families and the sales within 12 months. At the December ceremony, Mayor Menino announced that the City had purchased the last remaining parcel at the former federal Hyde Park housing, the Turtle Pond playground.

Dr. Lynn S. Kahn, Project Leader, 21st Century Skills, NPR, represented the Vice President in presenting the Awards. Regional Director Frank Prout and GSA's John Kelly, Kathe M. Kneeland, Sandra A. Robbins and Glenn Rotondo were the GSA members of the winning team.

Captain Geoffrey L. Abbot, Commander Karl H. Calvo, Theodore P. Dernago and Thomas P. Fodor were the Hammer team members from the Coast Guard; and winners from the City of Boston were: City Councilor Daniel F. Conley, Patricia Canavan, Brian Clinton and William F. Cotter.

The Hammer shadow boxes, bestowed on agency heads from the Vice President for public display, went to Admiral Erroll Brown; Mayor Thomas Menino and GSA Regional Administrator Robert J. Dunfey, Jr.



Air Force Plant 70

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GSA CALLED INTO NEGATIONS



After several years of litigation, Aerojet, the Navy and the Air Force reached settlement agreements in 1989 and 1992 relating to most of the environmental remediation costs

anticipated at the Aerojet facility as a whole.

An offer to purchase AFP70 was included in the 1992 settlement tendered in September 1993. At this point, GSA was asked to join the government negotiating team.

After nearly two years of negotiations, GSA, on behalf of the government team, rejected the offer because of the following factors:

- 1) all environmental cleanup actions and associated costs had not yet been identified,
- 2) Aerojet had included outstanding remediation costs in its proposed price,
- 3) The proposed price was substantially below fair market value, even without the environmental offsets.

Aerojet presented a new "global offer" in March 1996. That offer ultimately resulted in an Agreement in Principle signed in October 1997 and later evolved into the Global Settlement of all property and environmental matters.

As an aspect of required due diligence, and in addition to enduring compliance with the requirements of CERCLA discussed above, GSA conducted subsequent negotiations (in addition to negotiation of price) of terms of the final instruments of conveyance.

Key areas of the sometimes "heated" discussion, which were critical to the marketability of the property, concerned

- 1) the method of disclosure of existing environmental conditions,

- 2) access rights for future remediation
- 3) limited indemnification,
- 4) notice of intent to enter and nondisturbance to future owners, and
- 5) limited use restrictions pursuant to the requirements of CERCLA.

GSA and Aerojet reached a final agreement on the terms of the proposed sale in October 1998.

VALUABLE KNOWLEDGE GAINED

The negotiated sale of AFP70 yielded a number of benefits:

It effectively implemented one of the provisions of the Global Settlement, which included terms under which environmental remediation costs were to be shared (estimated \$260 million), expediting actual cleanup of the site and the neighboring community.

Transfer of the property to Aerojet under the Global Settlement resolved, in part, years of dispute and reduced the government's exposure to related lawsuits.

The agreement is equitable to both parties, recognized fair market value of the property, resolved environmental concerns and issues related to operating facilities, minimized the effect on ongoing programs and avoided future litigation.

Given the fact that conveyances to PRPs under the provisions of CERCLA are relatively new and quite uncommon among government real estate transactions, the successful sale of AFP70 sets a precedent for future disposals by GSA which are similar in scope.

The subject undertaking also provided many insights into the likely issues and considerations inherent in upcoming conveyances to be made under the Early Transfer Authority provided by Section 334 of CERCLA.





Office Of Property Disposal Public Buildings Service

Online with the Assistant
Commissioner
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From the Resource Center, you can hyperlink to the GSA and Public Building Service websites to obtain further information or to access any or all of the services GSA provides, from ordering supplies to facilities management.

The Property Disposal Resource Center became available to Federal agencies on December 15, 1999. To announce that fact we have mailed copies of the brochure to the Federal headquarters offices of our customer agencies. However, we want to make sure that all of you, from headquarters to the front line, are aware of the Resource Center and become acquainted with its many advantages. For that reason, we've included an actual facsimile of the brochure with this newsletter.

It seems appropriate, as we head into 2000, to introduce a tool that will help our customers better understand and utilize Property Disposal's programs and services. It is our fervent hope that the Resource Center will initiate a New Year of even stronger, more productive partnerships between Property Disposal and you, our valued customers.

Brian Polly

PROPERTY DISPOSAL A MOUSE-CLICK AWAY WITH ON-LINE RESOURCE CENTER

GSAProperty Disposal is making a giant leap into cyberspace with the Office of Property Disposal Resource Center. Beginning December 15, client agencies will be able to access the site at the center's URL:

<http://RC.GSA.Gov/ResourceCenter>

The Resource Center uses a single, cross-platform interface to browse, search, move, archive and filter internal information. This "one-stop-shopping" web site was developed by Property Disposal to help customer agencies, state and local governments, nonprofit organizations and stakeholders access up-to-date information quickly and efficiently.

By accessing the Resource Center, client agency personnel can read resource material and complete work online or off-line.

"The Resource Center will allow users to complete their work in a web-based environment," explains Peter Hebert, senior realty specialist with the Pacific Rim Region. With the support of many Property Disposal employees, Hebert was instrumental in developing the Resource Center and the Property Disposal home page.

"Client agency personnel are generally not aware of our home page and the Resource Center," notes Hebert, who has been working on the Resource Center over the past year. "The center will increase understanding about Property Disposal services and programs. At the same time, we'll be able to guide client agency personnel

online through the completion of Report of Excess Real Property forms."

COMING YOUR WAY SOON

The Resource Center pamphlet will be mailed to client agencies. Regional Offices and Central Office will also have an electronic version of the pamphlet that can be sent on an ad-hoc basis to client agency personnel. We have provided a facsimile of the brochure with this article for your reference.

ACCESSING INFO

To establish an account with the Resource Center, you simply enter the site's URL -- <http://RC.GSA.Gov/ResourceCenter> -- and click on I Need a New Username/Password from the log-in screen. The user-friendly site will walk you through the rest of the process.

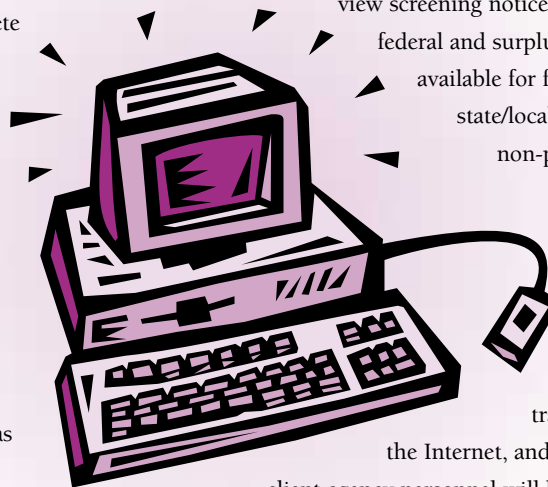
Once you've logged in, you have access to a wide range of information and resources:

Library -- Download or print documents regarding laws and regulations; disposal/asset management/environmental guidebooks; sample letters, screening notices, applications, instructions, formats; typical property redeployment steps. You can also view screening notices regarding federal and surplus property available for federal, state/local and eligible non-profit reuse. All federal and surplus screening notices will be electronically transmitted on the Internet, and authorized

client agency personnel will be able to view and link to screening notices.

Real Property Disposal Forms -- The Resource Center offers forms in Adobe Acrobat (PDF) and MS Word Document formats. This module contains several versions of the SF118, as well as the Excess (Report on Title) and HUD Checklists. Access blank forms and work on-line or off-line, or save and retrieve on-line HTML

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Working Off-line

You may save blank forms to your hard drive so that you may work Off-line by selecting the titles that contain the DOC, RTF, or PDF extensions. Selecting these formats initiates the download process. Your computer will prompt you for the appropriate actions.

Save the document to your hard drive and use the corresponding application to open and view the document.

The following software is required:

- * MS Word™ for DOC and RTF files
- * Adobe Acrobat™ for PDF files

Additional information regarding viewing

requirements is provided in the **Real Property**

Disposal Forms section.

Printing Blank Forms On-line

To print forms while working On-line, select the **Print** icon located on your Internet browser.

Printing Blank Forms Off-line

To print forms while working Off-line, open the corresponding application (i.e., MS Word™, Adobe Acrobat™). Select **Print** from the **File** menu.

REAL PROPERTY DISPOSAL FORMS

The **Real Property Disposal Forms** module makes accessing on-line forms convenient and flexible with the following features:

Save

The **Save** feature enables you to complete forms at your leisure. Before completion, simply save your work and continue at another time. You may access saved work on the **Search Forms in Progress** page.

Submit

The **Submit** feature enables information submission once you complete a form.

Attachment

The **Attachment** feature offers the option of attaching documents, maps, etc. to a form. You may attach up to five documents prior to submission.

THE REAL PROPERTY DISPOSAL FORMS PAGE

The Real Property Disposal Forms module provides the following forms and checklists:

- * SF118 Report of Excess Real Property
- * Excess Real Property Checklist
- * HUD Checklist

Formats Offered

The Resource Center offers forms in Adobe Acrobat™ [.PDF] and Microsoft Word™ [.DOC] formats.

Adobe Acrobat Reader™ is required to view [.PDF] files. You may download Adobe Acrobat Reader™ directly from the Real Property Disposal Forms page.

Microsoft Word™ is required to view [.DOC] files.

Refer to the Viewing Forms section of this pamphlet for more information.

For subject matter assistance only, select **To locate a**

Property Disposal Point of Contact for assistance with completing On-line forms. From the **Point of Contact** window, select the appropriate office. A point of contact list displays the names and pertinent information of those who can help answer subject matter questions.

For technical assistance contact the webmaster at

rc@bah.com

OFFICE OF PROPERTY DISPOSAL

Public Buildings Service
U.S. General Services Administration



<http://RC.GSA.Gov/ResourceCenter>



For further information about
Property Disposal, go to:
<http://propertydisposal.gsa.gov/property>

WELCOME TO THE RESOURCE CENTER

The Resource Center is a web-enabled application that provides Federal agencies, state and local governments, eligible non profit organizations, and stakeholders (such as Congress and OMB) with “one-stop shopping” access to useful real property utilization, disposal, and other asset management information.

GSA's Office of Property Disposal fosters responsible asset management initiatives and decisions by sharing information with you via the Resource Center.

You do not need special equipment or software, anyone with Internet access and a browser may view the information in the Resource Center.

LOCATING THE RESOURCE CENTER

Enter the following URL into the **Location** field of your Internet browser, then press enter:

<http://RC.GSA.Gov/ResourceCenter>.

ESTABLISHING AN ACCOUNT

If you are new to the Resource Center, establishing an account is easy. Simply submit a **Resource Center Access Request** form. The following steps walk you through the process:

1. Select **I Need a New Username/Password** from the lower-middle portion of the log-in screen.
2. The **Resource Center Access Request** form will appear. Once you enter all the requested information, select **Submit**.

3. Please confirm all entries in the confirmation window. Select **Back** to make corrections/additions or **Next** to submit the request.

Please allow 2-3 business days to fulfill the request.

LOGGING-IN

You may log-in only after you have established an account (see *Establishing an Account* on this pamphlet).

Once you have an established account navigate to the Resource Center (see *Locating the Resource Center* on this pamphlet). Where indicated, enter your approved user name and password, then select **Enter** from the lower middle portion of your screen.

RESOURCE CENTER HOME PAGE

After logging in, you are brought to the heart of the Resource Center. From the **Resource Center's Home Page**, customers link to the Resource Center **Library** and **Real Property Disposal Forms** modules.

LIBRARY

The **Library** is a repository for evolving information presented in a variety of formats (i.e., HTML, PDF, and RTF). You may download and/or print material from the following topics:

Laws & Regulations

Information concerning real property regulations, laws authorizing real property conveyance for public use, and other disposal laws.

Guidebooks

Utilization Disposal Guidebooks in HTML and PDF format.

Sample Letters, Notices, Applications, Instructions, Formats

Provides sample letters, notices, applications, instructions and formats.

Typical Property Redeployment Steps

Provides documents detailing the property redeployment process.

Viewing Screening Notices

Displays property availability for federal, state/local and eligible non-profit re-use. There are two types of screening notices, Federal and Surplus.

FEDERAL SCREENING NOTICES

Authorized federal users receive e-mail notification of **Federal Screening Notices** that are posted on the Internet.

SURPLUS SCREENING NOTICES

Authorized sponsoring agency, state/local and eligible non-profit representatives receive e-mail notifications of **Surplus Screening Notices** each time a notice is posted on the Internet.

Linking to Screening Notices

If you have browser driven e-mail (i.e., Netscape Messenger, Microsoft Outlook, etc.), you may click the URL address that appears in the e-mail notification. This automatically links you to the **Resource Center**. Log-in, enter the **Library** and select **Viewing Screening Notices** from the upper-middle portion of the screen. Finally, select the surplus notice of your choice.

If your e-mail is not browser driven (i.e., America Online, Yahoo, Hotmail, etc.), simply launch your Internet browser, enter the Resource Center's URL into the **Location** field, then press enter. Log-in and navigate to the **Library**. Finally, select **Viewing Screening Notices** from the upper- middle portion of the screen. . Finally, select the surplus notice of your choice.

VIEWING FORMS

You have the option of viewing and working with forms On-line or Off-line.

Working On-line

To view forms in the **Resource Center**, simply select the desired title. The form opens in HTML. Using the HTML format, you may complete and submit the forms while On-line.

TENNESSEE COMMUNITY TO BENEFIT FROM GSA SALE

When the Raytheon plant in Bristol, Tennessee, closed its doors for good, about 490 people lost their jobs. Finding a new owner for the property became a top priority for the city.

Hugging the state line with Kentucky, Bristol is a small community with a population around 24,000. For over 40 years until 1998, the local Raytheon plant manufactured missiles for the U.S. Navy and was a major employer. When the end of the Cold War prompted military downsizing, the Raytheon plant began decreasing production until it closed its doors altogether.

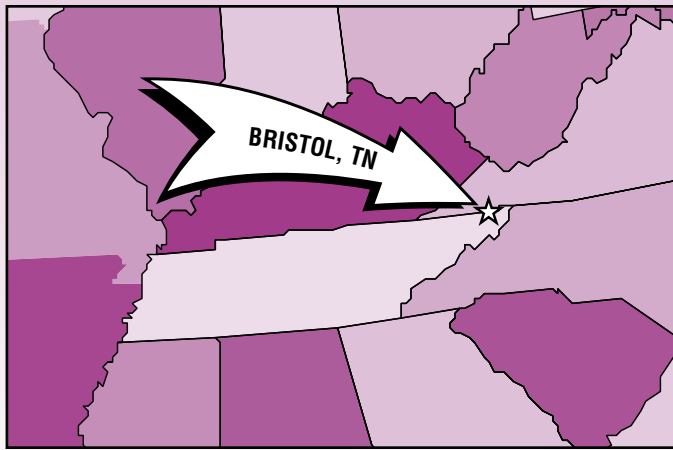
The U.S. Navy, in turn, reported the property excess and turned it over to GSA Property Disposal's Southeast Sunbelt Regional Office in Atlanta for disposal.

Experienced in GOCO (government-owned, contractor-operated) sales, Atlanta's Property Disposal office developed a marketing plan designed to attract an owner-occupant who would provide employment opportunities.

The first auction for the Raytheon plant was held in August of 1998. Unfortunately, the highest bidder was unable to close the sale, forcing GSA to foreclose on the property.

The second time around was the charm. Property Disposal's Atlanta Office worked closely with the Tennessee's Economic Development Department and Bristol's city manager to attract a buyer who would use the property in a way that would benefit the community.

"The city was so interested in what would happen to the property and what entity would take it over, that GSA worked closely with anyone having to do with business coming into the state of Tennessee and the city of Bristol," notes Ernest Cooper. Cooper is a



realty specialist with GSA's Atlanta Office and headed the team that handled the Raytheon plant sale.

According to Cooper, the state and city became particularly involved in marketing the former Raytheon property during the period between the default on the first purchase and the second auction.

State and local officials wanted to find and target what they considered to be highly desirable prospective bidders. However, it is GSA's mandate to facilitate an open sale of the property and to generate a great deal of interest among the widest possible pool of



Aerial view of the former Raytheon plant in Bristol, Tennessee.

prospective bidders.

"Probably the most challenging aspect of the sale was working with the city and Economic Development Department to help them understand our marketing process," says Cooper. "Once they did, we were able to work well together."

While GSA's Property Disposal staff developed and implemented a more broad-based marketing campaign, the city was able to focus on a handful of likely bidders.

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Resource Center is a Click Away

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versions. Working online allows you to save and submit forms, as well as attach up to five documents.

Office and Staff -- If you require assistance, select Locating a Property Disposal Staff, which will provide you with a list of the names and contact information for those staff members in the Central and Regional offices who can help you.

We invite you to access the Office of Property Disposal Resource Center to see how we can help you save time and effort that could be better spent on your core mission.

While you're online, we hope you'll visit the newly updated GSA Property Disposal Home page at <http://propertydisposal.gsa.gov> Beginning in early January, all federal and surplus screening notices will appear in the Properties for Public Use module of the Property Disposal web site.

Raytheon plant in Bristol, TN

(From page 7)

"The city interviewed viable candidates for the property and took interested parties on tours of the plant," explains Cooper. "The city eventually came up with a list of viable candidates, and we made sure all prospects received an invitation for bids brochure."

There were three active bidders for the property the second time around. One of the top candidates identified by the city was among the registered bidders.

American Phoenix purchased the 667,000-square-foot former Raytheon plant for \$3.7 million. Rail and interstate access, as well as proximity to some of its key clients, were among the major selling points that

attracted American Phoenix to the property.

Cooper says the state and, particularly, the local governments are very excited about the new owner."

American Phoenix, which has headquarters in Minnesota, will use the plant to produce rubber compounds for four major tire manufacturers. The company plans to convert and expand the existing facility at a cost of somewhere between \$16 and \$20 million.

American Phoenix President Clem Nelson told the Bristol Herald Courier that "had we had to start from scratch and build a new building, we could have spent twice as much money and got half as much space."

In accomplishing the expansion, American Phoenix will provide work for the

local construction industry. Additional work crews will focus on restoring rail service to the building.

American Phoenix expects to hire several hundred workers at above minimum wage to operate the plant after it opens in 2001.

"Putting the long-vacated Raytheon building to good use would not only be a good investment for the community, but an important step to ensuring Bristol's economic vitality. Taking this unused government property and turning it into a venture that creates jobs, improves industry and enhances the overall well-being of the area will allow Bristol to continue to prosper for years to come," stated U.S. Senator Bill Frist of Tennessee.

New Life for Texas Property

(From page 2)

shelter/transitional residence for homeless women and children. The building will be renovated into rooms, rather than dormitories. The former laboratory facility will provide shelter and transitional residence for up to 250 women and children.

GED preparation vocational training, job placement, transportation, life skills, counseling, parenting skills and childcare are among the programs and services that will be offered at the site.

An on-site Brownfields/Enterprise Community news conference was held October 20, 1999. Participants included Texas Governor George W. Bush, Dallas Mayor Ron Kirk, TNRCC Chairman Robert J. Huston, EPA Region 6 Administrator Gregg Cooke and Executive Director of the Union Gospel Mission Bill Thompson. Real Property Disposal Division Director George Prochaska and Realty Specialist Sharon Jennings represented GSA Property Disposal at the news conference.



From left to right: City of Dallas Mayor Ron Kirk, Governor George W. Bush, EPA Region 6 Administrator Gregg Cooke, TNRCC Chairman Robert J. Huston and UGM Executive Director William Thompson.



From left to right: Melodie Shatzger (HUD), Karen Alvarez (EPA), Donald Babers (HUD), Bill Thompson (Union Gospel Mission), Rich Adamson (COE), June Ahrens (COE) and Sharon Jennings (GSA) all contributed to the successful disposal and reuse of the building.